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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/575,995	05/11/2007	Greg H. Crocker	PKT-P1-06(US)	8906
28710 7590 02/18/2009 PETER K. TRZYNA, ESQ. P O BOX 7131 CHICAGO, IL 60680				
EXAMINER				
KESACK, DANIEL				
ART UNIT		PAPER NUMBER		
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/575,995

Applicant(s)

CROCKER, GREG H.

Examiner

Daniel Kesack

Art Unit

3691

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 01 December 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-45 is/are pending in the application.
- 4a) Of the above claim(s) 17-45 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-16 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/CDC)
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date: _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____
- Paper No(s)/Mail Date: _____

DETAILED ACTION

1. The response to restriction requirement, filed December 1, 2008 has been entered. Claims 1-45 are currently pending, with claims 17-45 being withdrawn from consideration. The rejections are as stated below.

Election/Restrictions

2. In response to Applicant's argument that the restriction requirement is not proper. Examiner respectfully disagrees. Since the application is a national stage entry of a PCT, the standard of unity of invention under the PCT governs the requirement. Examiner contends that the restriction requirement is proper because the claims lack unity of invention as described in the previous office action.

MPEP 1850 states:

The method for determining unity of invention under PCT Rule 13 shall be construed as permitting, in particular, the inclusion of any one of the following combinations of claims of different categories in the same international application:

- (A) In addition to an independent claim for a given product, an independent claim for a process specially adapted for the manufacture of the said product, and an independent claim for a use of the said product; or
- (B) In addition to an independent claim for a given process, an independent claim for an apparatus or means specifically designed for carrying out the said process; or
- (C) In addition to an independent claim for a given product, an independent claim for a process specially adapted for the manufacture of the said product and an independent claim for an apparatus or means specifically designed for carrying out the said process.

A process is specially adapted for the manufacture of a product if it inherently results in the product and an apparatus or means is specifically designed for carrying out a process if the contribution over the prior art of the apparatus or means corresponds to the contribution the process makes over the prior art.

Thus, a process shall be considered to be specially adapted for the manufacture of a product if the claimed process inherently results in the claimed product with the technical relationship being present

Art Unit: 3691

between the claimed product and claimed process. The words "specially adapted" are not intended to imply that the product could not also be manufactured by a different process.

Also an apparatus or means shall be considered to be specifically designed for carrying out a claimed process if the contribution over the prior art of the apparatus or means corresponds to the contribution the process makes over the prior art. Consequently, it would not be sufficient that the apparatus or means is merely capable of being used in carrying out the claimed process. However, the expression "specifically designed" does not imply that the apparatus or means could not be used for carrying out another process, nor that the process could not be carried out using an alternative apparatus or means.

More extensive combinations than those set forth above should be looked at carefully to ensure that the requirements of both PCT Rule 13 (unity of invention) and PCT Article 6 (conciseness of claims) are satisfied. In particular, while a single set of independent claims according to one of (A), (B), or (C) above is always permissible, it does not require the International Authority to accept a plurality of such sets which could arise by combining the provisions of PCT Rule 13.3 (which provides that the determination of unity of invention be made without regard to whether the inventions are claimed in separate claims or as alternatives within a single claim), with the provisions set out above (thus resulting in a set based on each of a number of independent claims in the same category under PCT Rule 13.3). The proliferation of claims arising from a combined effect of this kind should be accepted only exceptionally. For example, independent claims are permissible for two related articles such as a transmitter and receiver; however, it does not follow that an applicant may include also, in the one international application, four additional independent claims: two for a process for the manufacture of the transmitter and the receiver, respectively, and two for use of the transmitter and receiver, respectively.

A single general inventive concept must link the claims in the various categories and in this connection the wording above should be carefully noted. The link between product and process in (A) is that the process must be "specially adapted for the manufacture of" the product. Similarly, in (B), the apparatus or means claimed must be "specifically designed for" carrying out the process. Likewise, in (C), the process must be "specially adapted for the manufacture of" the product and the apparatus must be "specifically designed for" carrying out the process. In combinations (A) and (C), the emphasis is on, and the essence of the invention should primarily reside in, the product, whereas in combination (B) the emphasis is on, and the invention should primarily reside in, the process. (See examples in Chapter 10 of the International Search and Preliminary Examination Guidelines which can be obtained from the Patent Examiner's Toolkit link or from WIPO's web site (www.wipo.int/pct/en/texts/gdlines.htm)).

As such, Examiner is of the opinion that there is no technical relationship among the inventions described by the various groups of claims 1-45, which involve one or more of the same or corresponding special technical features. The invention of Group I is an apparatus which controls entering specifications for an option, monitoring the specifications, and signaling execution of the option based on the specifications. The invention of Group II describes an apparatus comprising a database with loan applications, and a program to carry out the closings of loans. There is no corresponding special technical feature between these two apparatuses, and therefore,

unity of invention does not hold. Furthermore, none of the dependant claims of the group include any special technical features which the two groups would have in common. The divergence of subject matter would require separate searches of the prior art, and therefore the examination of both groups would impose a serious search burden on the Examiner, and therefore the restriction is deemed proper.

Furthermore, the inventions of groups II—VIII do not share a special technical feature with the invention of group I. The inventions of groups II-VIII share the special technical feature of a "future lock-triggering price". However, the lack of unity between these groups has been considered a posteriori because "future lock-triggering prices" are known in the art, as described by Examiner in the restriction requirement, and therefore the technical feature does not define a contribution over the prior art. In response to Applicant's request for evidence of the existence of this feature in the prior art, Examiner cites the article "Amex begins trading capped options tied to two of its indexes." The article discusses capped options, which are described as options which are automatically exercised if the underlying index closes at or beyond an option's cap price. The price is considered a future lock-triggering price because when the option is purchased, the option has a price which, if reached, triggers a lock on the price of the underlying product. As such, this common feature lacks inventive step.

The divergent subject matter of the various claimed inventions, as discussed above, would present a search burden on the Examiner, and therefore the restriction requirement is justified.

For these reasons, the restriction requirement is hereby made final.

Claim Rejections - 35 USC § 101

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claim 10 is rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claim 10 recites a process comprising the method steps of receiving specifications, evaluating a trigger, and signaling execution of an option. Based on Supreme Court precedent, a proper process must be tied to another statutory class or transform underlying subject matter to a different state or thing (*In Re Bilski*; *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584,588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780,787-88 (1876)). Since neither of these requirements is met by the claim, the method is not considered a patent eligible process under 35 U.S.C. 101. To qualify as a statutory

process, the claim should positively recite the other statutory class to which it is tied, for example by identifying the apparatus that accomplished the method steps or positively reciting the subject matter that is being transformed, for example by identifying the material that is being changed to a different state. Since the steps can be accomplished without the use of another statutory class, it is considered a non-statutory process.

Examiner notes that even though the claim recites another statutory class via memory and a computer, the inclusion of the steps of receiving specifications into memory and a computer accessing further data are considered insignificant extra-solution activities and do not impose meaningful limits on the claimed invention. The steps of receiving and accessing do not impart patent-eligibility under 35 U.S.C. 101 on the claimed invention (See *Flook*, 437 U.S. at 590).

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

6. Claims 1-16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cristofich et al., U.S. Patent No. 6,173,270, in view of "A Consumer's Guide To Mortgage Lock-Ins," hereinafter Mortgage-X.

Claims 1, 3, 7-11, 15, Cristofich discloses a system and method of controlling an option comprising a computer programmed (column 3 lines 49-65) for receiving information into a memory defining specifications for an option (column 6 lines 11-20, 40-47), the specifications including a trigger for executing the option (column 9, lines 1-11), evaluating the trigger and if the trigger occurs, signaling execution of the option (column 9, lines 12-25).

Cristofich fails to teach that the option is an option on a loan. Mortgage-X teaches such options on loans. While the phrase "option on a loan" is not used within Mortgage-X, the article describes mortgage rate lock-ins, which Examiner considers to be an "option on a loan". As described by Mortgage-X, a mortgage rate lock-in is an agreement between a borrower and a lender, in which the borrow pays the lender a fee (paragraph 9) in exchange for the lender's obligation to lend a given amount of money at a certain rate, for a certain price, at a future point in time (paragraph 5). A typical option on a stock is a contract in which one party pays another party a fee in exchange for one party's obligation to buy or sell a certain number of shares at a certain price at a future point in time. The mortgage rate lock-ins described by Mortgage-X are

analogous to what one of ordinary skill in the art would consider to be an "option on a loan." As such the price which is locked in according to a stock option would be analogous to the interest rate, which is locked in, according to a mortgage rate lock-in. It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify the teachings of Cristofich to include options on loans because Cristofich teaches options on stocks, and Mortgage-X teaches the concept of options on loans which is analogous to the option on stocks taught by Cristofich, merely using a different financial product than the one addressed by Cristofich. Since the concepts were known at the time of the invention, and the results are predictable, in that the resulting combination would allow a lender to automatically monitor and track mortgage rate lock-ins in the same way the invention discloses stock options as being monitored and tracked, the combination is deemed proper. In light of the combination, it would be an obvious next step to include the triggers of Cristofich into the mortgage rate lock-in of Mortgage-X for all the reasons that Cristofich describes such an automatic triggering and execution is beneficial to the stock option tracking and monitoring (column 1 lines 44-64, column 8 lines 34-41)

Claim 2, Cristofich teaches the computer is programmed so as to execute the option if the trigger occurs (column 9 lines 12-25).

Claims 4, 5, 6, 12-14, 16, Cristofich and Mortgage-X fail to teach the trigger is a floor or a ceiling.

Official Notice is taken that floor and ceiling prices are old and well known in the art. As cited above, Cristofich teaches setting a trigger price in which an option is executed if the market reaches that price. There exists only three possible scenarios: (1) the trigger price is above the current market price, and when the market price moves up to the trigger price, the option is executed (ceiling), (2) the trigger price is below the current market price, and when the market price falls to the trigger price, the option is executed (floor), or (3) there is a trigger price above, and a trigger price below (floor and ceiling). Since there are a finite number of possibilities and the results are predictable, it would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to modify the teachings of Cristofich and Mortgage-X to include a floor rate and a ceiling rate.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Daniel Kesack whose telephone number is (571)272-5882. The examiner can normally be reached on M-F, 9:00am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on 571-272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Respectfully Submitted,

Daniel Kesack
February 17, 2009
/D. K./
Examiner, Art Unit 3691

/Hani M. Kazimi/
Primary Examiner, Art Unit 3691